



Ambi-Lingual Associates, Inc.

August 23, 2011

Secretary Kathleen Sebelius
U.S. Department of Health and Human Services
c/o Center for Consumer Information and Insurance Oversight
Office of Oversight, MLS Division, Room 737F
200 Independence Avenue S.W.
Washington, DC 20201
Re: Florida Medical Loss Ratio Adjustment Request

Dear Secretary Sebelius:

On behalf of Floridians, the organizations listed below respectfully ask you to reject the Insurance Commissioner's request to allow health insurance plans to maintain a medical loss ratio (MLR) of only 65% -70% for the next three years.

Starting in 2011, the Affordable Care Act requires insurance companies to spend at least 80 percent of premium dollars on health care services and quality improvements, rather than on overhead, marketing, advertising or big salaries and bonuses. If insurers fail to comply with these standards, they will have to provide rebates to policyholders. This important provision of the health reform law makes important strides towards holding insurance companies accountable for what they do and how they spend with consumers' premium dollars. If the Commissioner's request for an adjustment to MLR standards is granted, consumers in Florida will lose more than \$60 million in rebates anticipated to be paid out by August 2012. The goal of this rule is to provide an incentive for insurance companies to operate more efficiently and to use customers' premium dollars wisely. If insurers cannot meet this reasonable standard by improving their operations, then consumers shouldn't have to waste money on low-quality, inefficient products. Instead, consumers should be able to make an informed purchasing decision based on value.

Adjustments to the MLR standard may be granted only if a state demonstrates that there is a "reasonable likelihood" that the requirement "may destabilize the individual market in the state." (45 CFR § 158.301) Based on the significant amount of data posted on the website of the U.S. Department of Health and Human Services (HHS), we believe Florida has failed to make its case for an adjustment.

1 http://ccno.cms.gov/programs/marketreforms/mlr/mlr_florida.html

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submitted by the Insurance Commissioner shows that our state has over 100 insurers with at least 15 of them actively selling individual products. Only a few health plans constituting less than three percent of the individual market are planning to withdraw entirely from the state. In fact, the six largest insurers that are currently providing policies to 664,554 people, constituting 85 percent of the Florida individual market, have no intention of leaving the market because of the minimum MLR requirement. Moreover, the dominant insurer Blue Cross Blue Shield Florida, with 44 percent of the individual market policyholders, has already met the 80 percent MLR requirement.

As we move forward with implementation of the Affordable Care Act in Florida, retaining the reforms which protect the interests of consumers is vital for the law to be successful. The MLR requirement is an important consumer protection and a part of health reform that should not be weakened. On behalf of policyholders and consumers of health insurance in Florida, we request that you deny Florida's application that would allow insurance companies an adjustment from the MLR standards.

Sincerely



Boca Raton, FL